ANNUAL REPORT

of the

STANDING COMMITTEE ON PUBLIC ACCOUNTS

1999-2000

MARCH, 2001

First and Second Sessions in the First Sitting of the Fifty-Eighth General Assembly

House of Assembly
Nova Scotia

Mr. Roderick MacArthur
Chief Clerk of the House
House of Assembly
Province House
Halifax, Nova Scotia

Dear Mr. MacArthur,

On behalf of the Standing Committee on Public Accounts, I am pleased to submit the Annual Report of the Committee for the First and Second Sessions of the Fifty-Eight General Assembly.

Respectfully submitted

Russell MacKinnon, MLA
(Cape Breton West)
Chairman
Standing Committee on Public Accounts

Halifax, Nova Scotia
February 2001

Printed on paper that contains recycled fibre

TABLE OF CONTENTS

Introduction	.....	**i**
Procedures and Operations	.....	**ii**
Notices	.....	**ii**
Verbatim Transcripts	.....	**iii**
Research Material	.....	**iii**
Annual Reports	.....	**iii**
Acknowledgments	.....	**iii**
Witnesses	.....	**iv - vii**

SECTION I

COMMITTEE MEETINGS

ELECTION OF CHAIRMAN AND VICE CHAIRMAN	.....	**1**
REPORT OF THE AUDITOR GENERAL 1998	.....	**2-3**
Witnesses	.....	2
Background	.....	2
Report of the Auditor General	.....	2
Matters of Discussion	.....	3
Documents Requested	.....	3
MACTIMBER	.....	**4-5**
Witnesses	.....	4
Background	.....	4
Report of the Auditor General	.....	4
Matters of Discussion	.....	5
Documents Requested	.....	5
NOVA SCOTIA RESOURCES LIMITED	.....	**6-7**
Witnesses	.....	6
Background	.....	6
Report of the Auditor General	.....	6
Matters of Discussion	.....	6
Documents Requested	.....	7
P3 SCHOOLS	.....	**8-9**
Witnesses	.....	8
Background	.....	8
Report of the Auditor General	.....	8
Matters of Discussion	.....	9
Documents Requested	.....	9

REPORT OF THE AUDITOR GENERAL 1999	**10-11**
Witnesses	10
Background	10
Report of the Auditor General	10
Matters of Discussion	10
Documents Requested	11
ALTERNATE DISPUTE RESOLUTION PROGRAM	**12-14**
Witnesses	12
Background	12
Report of the Auditor General	13
Matters of Discussion	13
Documents Requested	13
BRAS D'OR WATERFRONT PROJECT	**15-16**
Witnesses	15
Background	15
Report of the Auditor General	15
Matters of Discussion	15
Documents Requested	16
SNOW AND ICE CONTROL AUDIT REVIEW	**17-18**
Witnesses	17
Background	17
Report of the Auditor General	17
Matters of Discussion	17
Documents Requested	18
REAL PROPERTY MANAGEMENT AUDIT REVIEW	**19-20**
Witnesses	19
Background	19
Report of the Auditor General	19
Matters of Discussion	19
Documents Requested	20
SALE OF SYSCO	**21-22**
Witnesses	21
Background	21
Report of the Auditor General	21
Matters of Discussion	22
Documents Requested	22
BRAS D'OR WATERFRONT PROJECT	**23-24**
Witnesses	23
Background	23
Report of the Auditor General	23
Report from the Office of the Ombudsman	24
Matters of Discussion	24
Documents Requested	24

P3 AUDIT - KPMG **25-26**
Witnesses 25
Background 25
Report of the Auditor General 25
KPMG Review pf Public Private Partnership Report 26
Matters of Discussion 26
Documents Requested 26

NOVA SCOTIA RESOURCES LIMITED **27-28**
Witnesses 27
Background 27
Report of the Auditor General 27
Matters of Discussion 27
Documents Requested 28

CAPE BRETON COUNTY ECONOMIC DEVELOPMENT AUTHORITY **29-30**
Witnesses 29
Background 29
Report of the Auditor General 29
Matters of Discussion 29
Documents Requested 30
Recommendations 30

NOVA SCOTIA LIQUOR COMMISSION **31-32**
Witnesses 31
Background 31
Report of the Auditor General 31
Matters of Discussion 31
Documents Requested 32

GROUND AMBULANCE SERVICE **33-34**
Witnesses 33
Background 33
Report of the Auditor General 33
Matters of Discussion 34
Documents Requested 34

DEPARTMENT OF HEALTH **35-36**
Witnesses 35
Background 35
Report of the Auditor General 35
Matters of Discussion 36
Documents Requested 36

PHARMACARE PROGRAM **37-38**
Witnesses 37
Background 37
Report of the Auditor General 37
Matters of Discussion 37
Documents Requested 38

SECTION II

RECOMMENDATIONS

RECOMMENDATIONS **39-40**
Cape Breton County Economic Development Authority 39

SECTION III

PUBLIC ACCOUNTS COMMITTEE MANDATE

PUBLIC ACCOUNTS COMMITTEE MANDATE **41-43**
Mandate 41

SECTION IV

STATEMENT OF SUBMISSION

STATEMENT OF SUBMISSION **SS-1**
Statement of Submission SS-1

INTRODUCTION

The Standing Committee on Public Accounts, an all-party Committee, was struck at the beginning of the First Session of the Fifty-Eighth General Assembly. Pursuant to Rule 60(3) of the Province of Nova Scotia Rules and Forms of Procedures of the House of Assembly:

> The Chairman of the Public Accounts Committee shall be the Member chosen at the commencement of the first Session of each Assembly by the Opposition House Leader from among such Members of the Committee as are Members of the Official Opposition.

Currently, Nova Scotia is in the unique position of having both opposition parties holding an equal number of seats in the House of Assembly. Therefore, there is no official opposition. The Speaker made a ruling that the Standing Committee on Public Accounts would have alternating co-chairmen, chosen by each opposition house leader. The Committee determined that the Chairmanship would rotate between the co-chairmen on a six month basis.

The Vice-Chairman was chosen directly pursuant to Rule 60(3), but from among the Government Members of the Committee. The Membership of the Committee for the First Session was as follows:

Mr. Russell MacKinnon, MLA - Co-Chairman
Cape Breton West
(Chairman from October 1999 to March 2000)

Mr. John Holm, MLA - Co-Chairman
Sackville Cobequid
(Chairman from April to October 2000)

Mr. David Morse, MLA - Vice Chairman
Kings South

Mr. Brooke Taylor, MLA
Colchester - Musquodoboit Valley

Mr. Jim DeWolfe, MLA
Pictou East

Mr. Bill Dooks, MLA
Eastern Shore

Mr. Bill Langille, MLA
Colchester North

Mr. Michel Samson, MLA
Richmond

Mr. Darrell Dexter, MLA
Dartmouth - Cole Harbour

During the session the Committee underwent membership changes. These changes are as follows:

Mr. Michel Samson, MLA was replaced by;

Dr. Jim Smith, MLA
Dartmouth East

Mr. Bill Dooks, MLA was replaced by;

Mr. Barry Barnet, MLA
Sackville - Beaver Bank

PROCEDURES AND OPERATIONS

The Public Accounts Committee traditionally meets once a week. These meetings are held on Wednesday mornings in the Legislative Chamber of the House of Assembly and in the Legislative Committees Office. During the First and Second Sitting in the First Session of the Fifty-Eighth General Assembly the Committee met on the following dates:

September 30, 1999

October 13, 1999

November 3, 1999
November 10 1999
November 18 1999
November 24 1999

December 8, 1999

January 12, 2000
January 19, 2000
January 26, 2000

February 2, 2000
February 9, 2000
February 16 2000
February 23 2000

March 1, 2000
March 8, 2000
March 22, 2000
March 29, 2000

April 5, 2000
April 12, 2000
April 19, 2000
April 26, 2000

May 3, 2000
May 10, 2000
May 17, 2000
May 24, 2000

June 7, 2000
June 21, 2000

NOTICES

Notices of the Committee meetings are sent to all members of the Committee, the Auditor General, staff of the caucus offices, the Legislative staff and the House of Assembly Press Gallery and are posted in Province House.

VERBATIM TRANSCRIPTS

Transcripts of these Committee meetings are available from the Legislative Committees Office.

RESEARCH MATERIAL

All research for the Public Accounts Committee is compiled by the Committee's Coordinator and Researcher, and distributed to the members. Reference material is placed in binders and distributed prior to meetings. This material is also made available to the Auditor General, Hansard, and the House of Assembly Press Gallery. Copies of this material are available from the Legislative Committees Office.

ANNUAL REPORTS

All reports from the Public Accounts Committee are compiled and written by the Committee's Coordinator. Once the Co-Chairmen and Vice Chairman have approved the initial draft, it is then sent to the individual Committee members for consideration. The draft review complete, the report is tabled with the Clerk of the House.

As recommended by the Guidelines for Public Accounts Committees, distribution of the report will be as follows: to the Speaker, all members of the Legislature, all witnesses that appeared before the Committee, the Legislative Library in Nova Scotia and in all other provinces and territories, Deputy Ministers, Chairmen of all Canadian Public Accounts Committees, and the Media. This report is also available to the general public upon request through the Legislative Committees Office.

ACKNOWLEDGMENTS

The Committee wishes to extend its gratitude to witnesses for their time and cooperation; Mr. Roy Salmon, Auditor General of Nova Scotia and his staff for being present at all of the Committee meetings to assist the Committee in its deliberations; Ms. Mora Stevens, Coordinator of the Public Accounts Committee and the staff of the Legislative Committees Office for the organization and research of committee meetings. Others whose assistance has been invaluable to the Committee are: the former Editor of Hansard Mr. Rodney Caley; Mr. Robert Kinsman, Editor of Hansard, and Hansard staff; Mr. Don Ledger, Co-ordinator Legislative Television and Broadcast Services, and staff; and Mr. Michael Laffin, Co-ordinator, House of Assembly Operations and staff.

****

WITNESSES

THURSDAY, SEPTEMBER 30, 1999 — *ELECTION OF CHAIRMAN AND VICE CHAIRMAN*

WEDNESDAY, OCTOBER 13, 1999 — *AUDITOR GENERAL'S 1998 REPORT*

Auditor General's Office
Mr. Claude Carter, Deputy Auditor General
Mr. Alan Horgan, Assistant Auditor General
Ms. Elaine Morash, Assistant Auditor General

WEDNESDAY, NOVEMBER 3, 1999 — *MACTIMBER*

Department of Economic Development/Investment and Trade Division
Mr. Francis MacKenzie
MacTimber
Mr. Ivan Sorensen, Former Production Manager

THURSDAY, NOVEMBER 18, 1999 — *NOVA SCOTIA RESOURCES LIMITED*

Mr. James Livingstone, Former CEO - NSRL

WEDNESDAY, DECEMBER 8, 1999 — *P3 SCHOOLS*

Department of Education
Mr. Doug Nauss, Acting Deputy Minister
Department of Finance
Mr. Greg Lusk, Executive Director of Procurement
Department of Justice
Mr. David Giovanetti, Legal Counsel
Department of Transportation and Public Works
Mr. John MacLean, Executive Director Real Property
Mr. John O'Connor, Director of Engineering & Design
Mr. Chris Welner, Director of Public Affairs
Mr. Alan MacRae, Executive Director Specialized Support Services

WEDNESDAY, JANUARY 12, 2000 — *1999 AUDITOR GENERAL'S REPORT*

Auditor General's Office
Mr. Roy Salmon, Auditor General
Mr. Claude Carter, Deputy Auditor General
Ms. Elaine Morash, Assistant Auditor General
Mr. Alan Horgan, Assistant Auditor General

WEDNESDAY, JANUARY 19, 2000 — ***1999 AUDITOR GENERAL'S REPORT***
(continued from previous week)

Auditor General's Office
Mr. Roy Salmon, Auditor General
Mr. Claude Carter, Deputy Auditor General
Ms. Elaine Morash, Assistant Auditor General
Mr. Alan Horgan, Assistant Auditor General

WEDNESDAY, FEBRUARY 2, 2000 — ***ALTERNATE DISPUTE RESOLUTION PROGRAM***

Mr. Michael Dempster, ADR Program Director
Mr. Fergus Ford, Solicitor
Ms. Paula Simon, Former ADR Program Director

WEDNESDAY, FEBRUARY 9, 2000 — ***BRAS D'OR WATERFRONT PROJECT***
(AKA MACNEIL'S COVE)

Department of Economic Development
Mr. Chris Bryant, Executive Director - Community Economic Development
Mr. Neal Conrad, Director - Regional Operations
Mr. Ross Kennedy, Regional Manager, Cape Breton Eastern Region
Department of Natural Resources
Ms. Rosalind Penfound, Executive Director - Land Services
Department of Transportation and Public Works
Ms. Barbara Baillie, Area Manager

WEDNESDAY, FEBRUARY 23, 2000 — ***SNOW AND ICE CONTROL AUDIT REVIEW***

Department of Transportation
Mr. Martin Delaney, Executive Director of Operations

WEDNESDAY, MARCH 8, 2000 — ***REAL PROPERTY MANAGEMENT AUDIT***

Department of Transportation and Public Works
Mr. John MacLean, Executive Director of Real Property Services

WEDNESDAY, MARCH 22, 2000 — ***SALE OF SYSCO***

Mr. James Spurr, Deputy Minister responsible for Sysco

WEDNESDAY, APRIL 5, 2000 — ***BRAS D'OR WATERFRONT PROJECT*** **- CONTINUATION**

Bras d'Or North Community Development
Mr. Brian Boudreau, Past President
Department of Natural Resources
Mr. Brian MacSween, Crown Land Forester
United Upland Waterfront Owners
Mr. Clifford MacNeil
Cape Breton Regional Municipality
Mr. Brian Spicer, Development Officer

WEDNESDAY, APRIL 12, 2000 — ***P3 AUDIT - KPMG***

KPMG
Mr. Eric Schibler, Partner
Department of Finance
Mr. Greg Lusk, Executive Director of Procurement
Priorities and Planning Secretariat
Mr. Bob Abbott, Director of Operations
Department of Transportation and Public Works
Mr. Al MacRae, Executive Director Specialized Services

WEDNESDAY, APRIL 26, 2000 — ***GROUND AMBULANCE SERVICE***

Department of Health
Dr. Michael Murphy, Executive Director Emergency Health Services
Emergency Medical Care Inc.
Mr. Arnold Rovers, Chief Executive Officer

WEDNESDAY, MAY 3, 2000 — ***NOVA SCOTIA RESOURCES LIMITED***

Nova Scotia Resources Limited
Mr. James MacDonald, General Manager
Mr. Steve Parker, Chairman of the Board of Directors
Mr. John Traves, Corporate Secretary

WEDNESDAY, MAY 10, 2000 — ***CAPE BRETON COUNTY ECONOMIC DEVELOPMENT AUTHORITY***

Cape Breton County Economic Development Authority
Mr. Ray Kavanaugh, Chairman
Ms. Eileen Lannon Oldford, Executive Director
Ms. Jo-Lanna Murray, Senior Economic Development Office.
Mr. Murray Johnston, Board Member
Mr. Ken MacLeod, Board Member

WEDNESDAY, MAY 17, 2000 — ***SETTING THE AGENDA***

WEDNESDAY, MAY 24, 2000 — ***NOVA SCOTIA LIQUOR COMMISSION***

Nova Scotia Liquor Commission
Mr. Gary Findlay, General Manager
Mr. Bruce Rogers, Executive Director Retail Services
Mrs. Sheila O'Leary-Jones, Director of Finance

WEDNESDAY, JUNE 7, 2000 — ***DEPARTMENT OF HEALTH***

Department of Health
Dr. Thomas Ward, Deputy Minister
Mr. Byron Rafuse, Chief Financial Officer
Ms. Barbara Hall, Executive Director of Health Services

WEDNESDAY, JUNE 21, 2000 — ***PHARMACARE PROGRAM***

Department of Health
Mr. Derek Dinham, Executive Director - Insured Programs Branch
Ms. Eleanor Hubbard, Director - Pharmaceutical Services

SECTION I

COMMITTEE MEETINGS

ELECTION OF CHAIRMAN AND VICE CHAIRMAN

THURSDAY, SEPTEMBER 30, 1999

Nova Scotia found itself in a very interesting position following the election on Tuesday, July 27, 1999. The seats in the House of Assembly were structured so that the opposition parties shared the same number of seats (11). This being the case, the Speaker decided that the Liberal and the New Democratic Parties (NDP) would share the title and the funding provided to the Official Opposition in the House of Assembly.

In the ***Province of Nova Scotia Rules and Forms of Procedure of the House of Assembly*** Rule 60(3) concerning the Chairman of the Public Accounts Committee states the following:

> The Chairman of the Public Accounts Committee shall be the member chosen at the commencement of the first Session of each Assembly by the Opposition House Leader from among such Members of the Committee as are Members of the Official Opposition. 1993 R. 60(3).

On Wednesday, September 29, 1999, the Speaker made the following ruling concerning the chairmanship of the Standing Committee on Public Accounts:

> ... I advised the opposition house leaders on the question of the chairmanship of the Public Accounts Committee under the current House structure. I decided that one name will be chosen by each opposition house leader from the members of his caucus on the committee to co-chair the Public Accounts Committee. If either caucus does not submit a name, then I will assume that caucus does not wish for a member to be part of this process. Therefore, the Public Accounts Committee will be chaired by the caucus that submitted a name.

The NDP House Leader submitted the name of Mr. John Holm, MLA - Sackville Cobequid. The Liberal Party House Leader submitted the name of Mr. Russell MacKinnon, MLA - Cape Breton West. The NDP proposed that the co-chairing of the Committee be done on a six month rotation in order to create stability. The Committee agreed to this proposal.

The Government House Leader submitted the name of Mr. David Morse, MLA - Kings South for the position of Vice Chairman of the Public Accounts Committee.

It was decided that Mr. Russell MacKinnon, MLA would be the Chairman of the Committee for the first six month rotation.

REPORT OF THE AUDITOR GENERAL 1998

WEDNESDAY, OCTOBER 13, 1999

WITNESSES

Auditor General's Office
Mr. Claude Carter - Deputy Auditor General
Mr. Alan Horgan - Assistant Auditor General
Ms. Elaine Morash - Assistant Auditor General

BACKGROUND

The 1998 Auditor General Report contains results from audits performed by the Office of the Auditor General during the 1998 calendar year. The objective of the report is to assist members of the House of Assembly in exercising their responsibility to hold the government accountable for the management of public funds. The Auditor General's Office uses the standards of the Canadian Institute of Chartered Accountants (CICA) to perform all audit work.

REPORT OF THE AUDITOR GENERAL - 1998

In the 1998 Auditor General's Report, audit work was performed on the following departments:

Government Wide Issues
- Accountability Information and Reporting;
- Year 2000;
- Environment Management - A Survey of Government Practices.

Departmental Audits
- Community Services - Homes for Special Care - Phase II;
- Economic Development and Tourism - Economic Diversification Agreement;
- Education and Culture - Public Private Partnerships for School Construction and Teachers Salary Continuation Plan;
- Finance - Corporate Financial Management System (CFMS);
- Health - Computer Environment Control Review - Maritime Medical Care Inc., Homes for Special Care Phase II and Regional Health Boards and Non-designated Organizations;
- Justice - Alternative Dispute Resolution Program for Compensation of Victims of Abuse at Provincial Youth Institutions.

Crown Agencies and Corporations
- Nova Scotia Alcohol and Gaming Authority - Review of Gaming Operations Relating to Part II of the Gaming Control Act;
- Queen Elizabeth II Health Sciences Centre;
- Workers' Compensation System of Nova Scotia - Grant Thornton Report;
- Review of Financial Statements and Management Letters.

Copies of the 1998 Report of the Auditor General can be obtained from the Office of the Auditor General or online at the following address:

http://www.gov.ns.ca/legi/audg/1998ag.htm

MATTERS OF DISCUSSION

A thorough overview of all of the audits performed by the Auditor General's Office in 1998 was given to the Committee. However, specific matters that came under a great deal of discussion were as follows:

- Bond Rating Agencies;
- ADR Program;
- Nova Scotia Alcohol and Gaming Authorities procedures and policies, band councils;
- P3 - O'Connell Drive School, capital lease criteria;
- Nursing care.

Many issues raised in the 1998 Report of the Auditor General were looked into in some detail by the Committee during specific public hearings with department officials.

DOCUMENTATION REQUESTED

No further documentation was requested by the Committee.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office.

MACTIMBER

WEDNESDAY, NOVEMBER 3, 1999

WITNESSES

Department of Economic Development
Mr. Francis MacKenzie - Investment and Trade Division

MacTimber
Mr. Ivan Sorensen - Former Production Manager

BACKGROUND

MacTimber Ltd. was established in 1994, Edmonton, Alberta, as a wholesale broker and distributor of softwood products. The Company specializes in the sale and wholesale distribution of small size dimensional lumber, boards and cut ends. This material is typically used for the construction of pallets and furniture.

On October 9, 1998, the Federal Government's Atlantic Canadian Opportunities Agency (ACOA) through the Business Development Program provided MacTimber with an interest free loan for $340,375. The Provincial Government, through what was then called the Nova Scotia Economic Development and Tourism Department, granted MacTimber $200,000 in order to provide funding for an expansion project to their plant in Debert, Nova Scotia.

The project involved the purchase of two dry kilns and related equipment and required facility improvements in order to produce lumber, boards and cut-ends that could be sold throughout the United States and Europe. The project was suppose to create 33 immediate jobs and an additional 15 jobs over a four year period.

On January 28, 1999, MacTimber declared bankruptcy four months after the grants had been received.

REPORT OF THE AUDITOR GENERAL

The Auditor General has never performed an audit on the Investment and Trade Division of the Department of Economic Development.

However, in 1996 the Auditor General did perform an audit on the Nova Scotia Economic Renewal Agency - Special Assistance Program. There are recommendations within that audit that pertain to the improvement of procedures used to control and account for loans made within the program. There is also a recommendation concerning accountability within the program.

Copies of the Nova Scotia Economic Renewal Agency - Special Assistance Program audit contained in the 1996 Auditor General Reports can be obtained from the Office of the Auditor General or online at the following address:

http://www.gov.ns.ca/legi/audg/1996/AG96_10pdf

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Historical details concerning MacTimber, sequence of events with ACOA and Department of Economic Development and Tourism, MacTimber's pervious bankruptcy (1997);
- Initial goals for the expansion into Nova Scotia, financial risks to the company pertaining to the expansion;
- Outcome of receivership to MacTimber;
- ACOA involvement in MacTimber;
- Uninsured creditors of MacTimber, law suits;
- Investigation by the Maritime Lumber Board concerning free trade issues;

DOCUMENTATION REQUESTED

During the meeting the Committee asked the witnesses to provide them with the following documentation:

- Financial Statements of MacTimber concerning the receivership;
- A copy of the report the Maritime Lumber Board made to ACOA.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa991103.htm

NOVA SCOTIA RESOURCES LIMITED

THURSDAY, NOVEMBER 18, 1999

WITNESSES

Mr. James Livingstone - Former CEO - NSRL

BACKGROUND

Nova Scotia Resources Limited (NSRL) was incorporated in 1979 and became a Crown Corporation in 1981. NSRL was set up in order to oversee Nova Scotia's participation in the offshore. Its primary functions were to manage petroleum, energy and mineral development.

REPORT OF THE AUDITOR GENERAL

In 1996, the Auditor General Report contained a special audit of Nova Scotia Resources Limited. This audit came at the request of the government, the Public Accounts Committee and individual Members of the House of Assembly. The scope of the audit was based on allegations that had been made concerning NSRL. The allegations were as follows:

- NSRL did not execute an agreement with LASMO Nova Scotia Limited that would provide them with the greater benefits upon completion of the Cohassett project;
- NSRL did not execute an agreement with Pan Canadian Petroleum Limited that would enable them to receive a benefit on account of tax deductible exploration and development expenditures. It was further claimed that recent changes to the *Canadian Income Tax Act* make a similar business arrangement of limited value to NSRL if it were to be completed;
- NSRL disposed of western Canada oil and gas properties that were profitable, and they did not receive the best price possible from the sale.

MATTERS OF DISCUSSION

There were a number of matters discussed with the witness during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Tax Pools;
- Offshore pipeline;
- Distribution of gas, necessary infrastructure and the petrochemical industry;
- Lasmo / Pan Canadian;
- NSRL Business Plan;
- Western Canadian properties owned by NSRL;
- Witnesses history, qualifications, contract with NSRL and subsequent employment with K2 Energy Corporation;
- Dismissals of Board of Directors, legal action and settlement;
- Holdings and operations in the United States of K2 Energy Corporation.

DOCUMENTATION REQUESTED

Prior to the meeting with the witness, the Committee asked for the following documentation:

- A copy of the business plan for NSRL completed by Mr. Jim Livingstone that had projections on potential revenues.

Subsequent to the meeting with the witness, the Committee asked to be provided with the following documentation:

- Copies of certificates from training courses that the witness had taken in the area of management, business aspects of the gas and oil exploration industry.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa991118.htm

P3 SCHOOLS

WEDNESDAY, DECEMBER 8, 1999

WITNESSES

Department of Education
Mr. Doug Nauss - Acting Deputy Minister

Department of Finance
Mr. Greg Lusk - Executive Director of Procurement

Department of Justice
Mr. David Giovanetti - Legal Counsel

Department of Transportation and Public Works
Mr. John MacLean - Executive Director Real Property
Mr. John O'Connor - Director of Engineering & Design
Mr. Chris Welner - Director of Public Affairs
Mr. Alan MacRae - Executive Director Specialized Support Services

BACKGROUND

In April 1997, the Minister of Finance announced that all future schools in Nova Scotia would be built through public-private partnership (P3) arrangements. The government wanted to be able to build schools without adding to Nova Scotia's debt. The government wanted to have operating leases with their private sector partners to accomplish this goal.

Originally, eight schools were to be built using the new P3 arrangements. By December 1997, the government announced that there would be $360 million in school construction and renovations. The number of new schools to be constructed grew to 31.

Controversy arose when the issue became clouded as to whether or not the leases with the partners for the individual schools were operating leases or capital leases. At this point the Auditor General was asked to audit the P3 process.

REPORT OF THE AUDITOR GENERAL

In the 1997 and 1998 Auditor General Reports, there was an audit and a follow-up review on the Department of Education and Culture - Public-Private Partnership (P3's) for School Construction. The scope of the audit and follow-up review were as follows:

1997 Audit

- Review any analysis made by the Department Supporting the decision to enter into P3 arrangements for school construction;
- Evaluate the selection process for private-sector partners in order to establish compliance with the government procurement policies;
- Investigate the accounting methods used on the schools' leases and interim financial arrangements that determine

the compliance with generally accepted accounting principles and the Province's stated accounting policies;
- Evaluate any agreements that were made with the private sector partners to determine whether or not they incorporated due regard for economy and efficiency;
- Review any agreements made with the private-sector partners to understand the nature of the risk transferred from the public sector to the private sector.

1998 Follow-up Review

- To determine and report on the status of the departments P3 school construction initiatives.

Copies of the Department of Education and Culture - Public-Private Partnership (P3's) for School Construction audit and follow-up review are contained in the 1997 and 1998 Auditor General Reports which can be obtained from the Office of the Auditor General or online at the following addresses:

http://www.gov.ns.ca/legi/audg/1997/AG97_8.pdf and at http://www.gov.ns.ca/legi/audg/1998/AG98_7.pdf

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Site selection process, acquisition of land and arbitration process;
- Capital lease issue, design specifications of school;
- Maintenance agreement, renovation and repair technology;
- Transferring of risk in P3 process;
- KPMG Audit;
- After hour school access.

DOCUMENTATION REQUESTED

Prior to the meeting concerning P3 Schools, officials from the Department of Transportation and Public Works were asked to provide the Committee with the following documentation:

- Appraisals done by MacKay Real Estate Coastal Appraisals and East Coast Appraisals; *
- All documents concerning an analysis that the Department undertook including correspondence as to why Horton High School was built versus renovating the existing school;
- Surplus crown property disposal regulations followed by the Department OF Transportation and Public Works;
- Regulations that pertain to leasing.

* The three appraisal reports were the subject of an application under the Freedom of Information and Protection of Privacy Act (FOIPOP). The documents were provided to the Committee members during the meeting, but returned to the Committee Coordinator and held in trust until such a time that a decision on whether or not the documents were to be made public was made by the commissioner. The three appraisals were eventually made public and distributed to Committee members.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa991208.htm

REPORT OF THE AUDITOR GENERAL - 1999

WEDNESDAY, JANUARY 12, 2000 / WEDNESDAY, JANUARY 19, 2000

WITNESSES

Auditor General's Office
Mr. Roy Salmon - Auditor General
Mr. Claude Carter - Deputy Auditor General
Ms. Elaine Morash - Assistant Auditor General
Mr. Alan Horgan - Assistant Auditor General

BACKGROUND

The 1999 Auditor General Report contains results from audits performed by the Office of the Auditor General during the 1999 calendar year. The objective of the report is to assist members of the House of Assembly in exercising their responsibility to hold the government accountable for the management of public funds. The Auditor General's Office uses the standards of the Canadian Institute of Chartered Accountants (CICA) to perform all audit work.

REPORT OF THE AUDITOR GENERAL - 1999

In the 1998 Auditor General's Report, audit work was performed on the following departments:

Government Wide Issues
- Accountability Information and Reporting;
- Year 2000 Update.

Departmental Audits
- Education - Nova Scotia Community College and Public Private Partnering (P3) for School Construction;
- Finance - Liability and Risk Management;
- Health - Northern Regional Health Boards and follow-up to 1998 Comments on RHB's and NDO's;
- Housing and Municipal Affairs - Infrastructure Works Program - Phase II;
- Transportation and Public Works - Real Property Management and Snow and Ice Control.

Crown Agencies and Corporations
- Review of Financial Statements and Management Letters.

Copies of the 1999 Report of the Auditor General can be obtained from the Office of the Auditor General or online at the following address:

Http://www.gov.ns.ca/legi/audg/1999ag.htm

MATTERS OF DISCUSSION

A thorough overview of all of the audits performed by the Auditor General's Office in 1998 was given to the Committee. However, specific matters that came under a great deal of discussion were as follows:

- Finance - unfunded liability, staffing of the department, long services awards;
- Nova Scotia Gaming Corporation - HST/GST hold back;
- Transportation and Public Works - Trucking Association of Nova Scotia rates, 80/20 Rule, Real Property - leasing versus owning, Charlotte Street lease, Snow and Ice Control - Road Construction and maintenance;
- Education - Community Colleges - P3 school capital leases;
- Health - lack of Department's strategic plan, educational standards, clinical service planning initiative, technology.

DOCUMENTATION REQUESTED

No additional documentation was requested by the Committee.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcripts from both of these meetings can also be found online at the following addresses:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa000112.htm
and at
http://www.gov.ns.ca/legi/hansard/comm/pa/pa000119.htm

ALTERNATE DISPUTE RESOLUTION PROGRAM

WEDNESDAY, FEBRUARY 2, 2000

WITNESSES

Department of Justice
Mr. Michael Dempster - ADR Program Director
Mr. Fergus Ford - Solicitor

Private Citizen - Formerly with the Department of Justice
Ms. Paula Simon - Former ADR Program Director

BACKGROUND

In the fall of 1994, there were a number of civil actions launched against the Province of Nova Scotia claiming that abuse occurred at several provincial youth facilities. The government responded by announcing that there would be an investigation into the allegations. The government set three goals that they wanted to achieve. Those goals were as follows:

- Ensure that abuse could not reoccur (Samuels-Stewart Report);
- Determine what happened at the institutions and who was responsible (Stratton Report); and
- Provide fair compensation to the abuse victims (Alternate Dispute Resolution Program)

In November, the Minister of Justice authorized an independent investigation into a number of alleged incidents and sexual allegations and other forms of physical abuse at the former Nova Scotia School for Boys located in Shelburne, Nova Scotia. This report became known as the Stratton Report - *Report of an Independent Investigation in Respect of Incidents and Allegations of Sexual and Other Physical Abuse at Five Nova Scotia Residential Institutions - June 30, 1995.*

The report was set up as a three step process as follows:

1. An independent review of current practices to ensure the present policies and procedures prevent any recurrence of abuse of any nature.
2. An independent investigation into the events that took place at the Shelburne School for Boys in order to determine what happened, who was involved, who knew what happened and what actions were taken in response by those in authority.
3. If the investigation revealed abuse had occurred for which the Province was liable, an alternate dispute resolution mechanism was to be put in place to determine the appropriate compensation for the victims.

The Stratton Report chronicles the events that took place at the five various institutions as well as a case report. There are chapters on the following institutions:

- The Shelburne School for Boys;
- The Sydney Children's Training Centre;
- The Nova Scotia Residential Centre;
- The Dartmouth Children's Training Centre;
- The Nova Scotia Youth Training Centre;

- The Lalo Case.

The Stratton Report identified 89 victims of abuse at three of the five institutions investigated. Copies of this report can be obtained through the Department of Justice in Nova Scotia.

In July of 1995, the Department of Justice announced the ADR Program in order to compensate the victims of abuse identified in the Stratton Report. In February 1996, the Department of Justice and the lawyers representing the victims negotiated a Memorandum of Understanding (MOU). The MOU detailed the process as to how the claims would be scrutinized. By November of 1996, the ADR Program was put on hold and the MOU was revised due to the volume of claims and the restrictions the MOU had placed upon the process.

REPORT OF THE AUDITOR GENERAL

In 1998, the Auditor General Report contained an audit of the Department of Justice - Alternate Dispute Resolution Program for Compensation of Victims of Abuse at Provincial Youth Institutions. The scope of the audit was as follows:

- Accountability and reporting practices;
- Strategic, operational and financial planning within the Department of Justice;
- Compliance with policy guidelines;
- Economy and efficiency of ADR Program.

Copies of the Alternate Dispute Resolution Program for Compensation of Victims of Abuse at Provincial Youth Institutions audit contained in the Report of the Auditor General 1998 can be obtained from the Office of the Auditor General or online at the following address:

http://www.gov.ns.ca/legi/audg/1998ag.htm

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Memorandum of Understanding implementation and changes;
- Allegations of fraudulent charges;
- Compensation to victims;
- Various investigations by the Department and RCMP;
- Various counselling programs set up for the victims;
- Legal actions, legal aid lawyer and civil actions that have been taken against the government.

DOCUMENTATION REQUESTED

Prior to meeting with officials from the Department of Justice, the Committee requested the following documentation:

- Organizational charts that outline the chronology of the events and the personnel that worked on the ADR Program;
- Cost breakdowns for the individual amounts paid to the 62 lawyers involved in the ADR Program by the Department of Justice;

- Detailed breakdown, line by line, of the summary of cost incurred to the ADR Program;
- A copy of the Chambers Report;
- Statistics on the number of files the Department forwarded to the RCMP for further investigation;
- Biographical information on the witnesses appearing before the Committee.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa000202.htm

BRAS D'OR WATERFRONT PROJECT

(A.K.A. MACNEIL'S COVE)

WEDNESDAY, FEBRUARY 9, 2000

WITNESSES

Department of Economic Development
Mr. Chris Bryant - Executive Director Community Economic Development
Mr. Neal Conrad - Director Regional Operations
Mr. Ross Kennedy - Regional Manager Cape Breton Eastern Region

Department of Natural Resources
Ms. Rosalind Penfound - Executive Director Land Services

Department of Transportation and Public Works
Ms. Barbara Baillie - Area Manager

BACKGROUND

MacNeil's Cove is located near Groves Point in Cape Breton, for many years it has been used by the local boating residents as a place to moor their vessels. In 1994, the Bras d'Or North Community Development Association decided to develop a boardwalk and a mooring grid for local boaters in order to enhance tourist traffic around Bras d'Or Lake near the Groves Point exit.

The Federal Government, through Human Resources Development Canada (HRDC) and Enterprise Cape Breton Corporation (ECBC), and the Provincial Government, through the Nova Scotia Economic Renewal Agency, invested approximately $650,000 into the Bras d'Or Waterfront Project.

It has now been determined that access to the MacNeil's Cove could only be gained by passing through private property. There is a 93 metre section of the boardwalk that was constructed on private property. No Trespassing signs have been posted on this section of the boardwalk.

The Department of Economic Development and the Bras d'Or North Community Development Association also invested $15,000 to build two public washrooms on the site and upgrade the septic system to 2,250 litres in order to upgrade the facilities to accommodate the anticipated tourists to the Project. Allegations were made that the upgrade would benefit a private business operator.

REPORT OF THE AUDITOR GENERAL

The Auditor General has never audited the Bras d'Or Waterfront Project.

REPORTS FROM THE OFFICE OF THE OMBUDSMAN

In February of 1999, the Ombudsman had an Interim Report on a complaint filed by Clifford MacNeil et al. against the Nova Scotia Department of Natural Resources. The report focusses on the following issues:

- The manner in which a license to operate a mooring grid on MacNeil's Cove was granted by the Nova Scotia Department of Natural Resources to the community group, the Bras d'Or North Community Development Association;
- The manner in which the grid is being operated, including the lack of input the land owners had, and feel they continue not to have with regard to the operation of the mooring grid.

In August of 1999, the Ombudsman tabled his Final Report on the issue. The Ombudsman made a number of recommendations to the Department of Natural Resources. Many of these recommendations dealt with the process that the Department should have in place when dealing with community groups such as accurate information beirg required, detailed sketches and plans, written consent from interested parties prior to the issuing of licenses or permits, community and property owners' input, enforcing organizations to be actively registered with the Registry of Joint Stocks and properly enforcing the conditions of any licenses or permits given by the Department.

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Ombudsman Interim and Final Reports;
- History behind the issuing of the permits for the Project to the Bras d'Or North Community Development Association;
- Mooring Grid;
- Procedures concerning Right of Ways;
- Concerns raised by the United Upland Waterfront Owners;
- Details concerning the levels of Municipal, Provincial and Federal funding involved in the various phases of the Project;
- Current status of the Project, status of mooring grid license and boardwalk properties.

DOCUMENTATION REQUESTED

The Committee asked that the Department of Natural Resources to provide the following documentation:

- A copy of all of the permits issued by the Department of Natural Resources concerning the construction of the Bras d'Or Waterfront Project.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa000209.htm

SNOW AND ICE CONTROL AUDIT REVIEW

WEDNESDAY, FEBRUARY 23, 2000

WITNESSES

Department of Transportation and Public Works
Mr. Martin Delaney - Executive Director of Operations

BACKGROUND

The District Operations division of the Department of Transportation and Public Works is responsible for all of the general highway, bridge maintenance and fleet management within Nova Scotia. Snow and ice control is the primary winter maintenance activity. The Department uses approximately 240,000 tons of salt on 13,566 kilometres of road and 53,000 cubic metres of sand on 10,383 kilometres of road each winter. The Department maintains 430 pieces of equipment and approximately 823 equipment operators are employed on both a full time and part time basis.

REPORT OF THE AUDITOR GENERAL

In 1999, the Auditor General Report contained an audit of the Snow and Ice Control division of the Department of Transportation and Public Works. The scope of the audit was as follows:

- Strategic planning of the snow and ice control processes;
- Monitor and evaluate outputs/outcomes of snow and ice activities;
- Arrangements between the Truckers Association and the Department (80/20 Rule).

Copies of the Snow and Ice Control audit contained in the Report of the Auditor General 1999 can be obtained from the Office of the Auditor General or online at the following address:

http://www.gov.ns.ca/legi/audg/1999/chpt10.pdf

MATTERS OF DISCUSSION

There were a number of matters discussed with the witness during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Salt hauling rates, tendering;
- 80/20 Rule;
- Equipment purchases and maintenance;
- Expenditure and recoverables from the municipalities;
- Private roads maintenance (92 km), road transfers.

DOCUMENTATION REQUESTED

The following documents were requested from and subsequently provided by the District Operations division of the Department of Transportation and Public Works:

- Salt Hauling Rates Study (80/20 Rule) - November / December 1999;
- Road Calcification Policy - 1989;
- Summer Services Road Policy - 1995;
- Private Road Classification Policy - 1998;
- Doane Raymond Consultants Report - 1993;
- Municipal Reform Analysis - January 1994;
- Analysis of fuel costs paid by the government versus the rate paid by the general public;
- Secondary road maintenance cost breakdown and the list of priorities for critical repairs.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa000223.htm

REAL PROPERTY MANAGEMENT AUDIT REVIEW

WEDNESDAY, MARCH 8, 2000

WITNESSES

Department of Transportation and Public Works
Mr. John MacLean - Executive Director of Real Property Services

BACKGROUND

The Real Property Services division of the Department of Transportation and Public Works manages accommodations and facilities for the government of Nova Scotia. It also maintains all of the government buildings and provides project management and trade services to government departments. The division also acquires and disposes of all of the government properties while maintaining inventory control.

REPORT OF THE AUDITOR GENERAL

In 1999, the Auditor General Report contained an audit of Real Property Management within the Department of Transportation and Public Works. The scope of the audit was as follows:

- Systems and procedures to ensure government operational space requirements are met;
- Management and maintenance of government owned and leased property;
- Examine government purchasing and construction of buildings as well as currently owned and leased properties.

Copies of the Real Property Management audit contained in the Report of the Auditor General 1999 can be obtained from the Office of the Auditor General or online at the following address:

http://www.gov.ns.ca/legi/audg/1999/chpt9.pdf

MATTERS OF DISCUSSION

There were a number of matters discussed with the witness during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Leased property renovations and improvements;
- Space Utilization Committee;
- 388 Charlotte Street lease;
- World Trade and Convention Centre lease;
- Parking.

DOCUMENTATION REQUESTED

The following documents were requested from and subsequently provided by the Real Property Management division of the Department of Transportation and Public Works:

- Correspondence between the Deputy Minister of Economic Development and the Deputy Minister of Transportation concerning the lease at 388 Charlotte Street in Sydney;
- All documentation between Mr. Emmitt Kelly and any/all parties concerning the lease at 388 Charlotte Street in Sydney as well as any documentation by the Department of Economic Development submitted to the Priorities and Planning Committee;
- Annual financial statements from Trade Centre Limited;
- Assessed value of the 388 Charlotte Street property.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa000308.htm

SALE OF SYSCO

WEDNESDAY, MARCH 22, 2000

WITNESSES

Mr. James Spurr - Deputy Minister responsible for Sysco

BACKGROUND

The Sydney Steel Corporation (Sysco), is a provincial Crown Corporation established in 1967, by an Act in the Legislature. Sysco was set up to operate a steel mill in Sydney, Nova Scotia. In recent years, Sysco and the Provincial and Federal Governments have undertaken a major renovation and modernization program. The cost of this program was approximately $281 million. The purpose of the renovations were to update the plant and to convert to an electric arc steelmaking process, install a ladle refining furnace, a head hardening facility and a universal rolling mill.

REPORT OF THE AUDITOR GENERAL / PUBLIC ACCOUNTS OF THE PROVINCE OF NOVA SCOTIA

The Auditor General has not performed an audit on the Sydney Steel Corporation since 1986. However, the financial statements of the Sydney Steel Corporation are included in the Public Accounts of the Province of Nova Scotia every year. These documents are audited every year, by KPMG, in Volume 2 - Agencies and Funds (1998). The following statements are made by the auditors of the Financial Statements of Sysco:

- Sysco is dependant on the Province of Nova Scotia for the financial support including loan guarantees necessary to sustain its operations;

- Sysco and the Province are actively seeking to establish an arrangement which would permit the Province to divest of its ownership and, concurrently, to identify a suitable new owner/operator who would commit to the long-term operation of the business;

- The 1998 financial statements have been prepared on the ongoing concern basis which assumes the realization of assets and liquidation of liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should Sysco be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations and commitments in other than the normal course of business and at amounts different from those in the financial statements.

Copies of the Financial Statements of Sysco can be found in the Public Accounts of the Province of Nova Scotia Volume 2 - Agencies and Funds. A copy of the these statements can be obtained from the Department of Finance or at the following address (Pages 333-344) online:

http://www.gov.ns.ca/finance/publish/paccts/98vol2.pdf

MATTERS OF DISCUSSION

There were a number of matters discussed with the witness during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- History surrounding the possible Sale of Sysco, Ernest and Young;
- Sysco Board of Directors meetings, deadlines for agreements, Mr. Rick Lawler;
- Conditions surrounding the various scenarios and companies biding on Sysco;
- ABN-AMRO Bank of Canada agreement with Sysco, the three deadlines built into the agreement, USAW analysis of bid;
- Agreements with Hoogovens and ABN-AMRO Bank of Canada;
- Letters of Intent / agreements with Rail and Associates;
- Hoogovens;

DOCUMENTATION REQUESTED

The following document was requested from and subsequently provided by the Committee from the Deputy Minister responsible for Sysco:

- A copy of the Brokerage agreement between the Sydney Steel Corporation, ABN-AMRO Bank of Canada and the Province of Nova Scotia.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa000322.htm

BRAS D'OR WATERFRONT PROJECT - CONTINUATION

(A.K.A. MACNEIL'S COVE)

WEDNESDAY, APRIL 5, 2000

WITNESSES

Bras d'Or North Community Development Association
Mr. Brian Boudreau - Past President

Department of Natural Resources
Mr. Brian MacSween - Crown Land Forester

United Upland Waterfront Owners
Mr. Clifford MacNeil

Cape Breton Regional Municipality
Mr. Brian Spicer - Development Officer

BACKGROUND

MacNeil's Cove is located near Groves Point in Cape Breton, for many years it has been used by the local boating residents as a place to moor their vessels. In 1994, the Bras d'Or North Community Development Association decided to develop a boardwalk and a mooring grid for local boaters in order to enhance tourist traffic around Bras d'Or Lake near the Groves Point exit.

The Federal Government, through Human Resources Development Canada (HRDC) and Enterprise Cape Breton Corporation (ECBC), and the Provincial Government, through the Nova Scotia Economic Renewal Agency, invested approximately $650,000 into the Bras d'Or Waterfront Project.

It has now been determined that access to the MacNeil's Cove could only be gained by passing through private property. There is a 93 metre section of the boardwalk that was constructed on private property. No Trespassing signs have been posted on this section of the boardwalk.

The Department of Economic Development and the Bras d'Or North Community Development Association also invested $15,000 to build two public washrooms on the site and upgrade the septic system to 2,250 litres in order to upgrade the facilities to accommodate the anticipated tourists to the Project. Allegations were made that the upgrade would benefit a private business operator.

REPORT OF THE AUDITOR GENERAL

The Auditor General has never audited the Bras d'Or Waterfront Project.

REPORTS FROM THE OFFICE OF THE OMBUDSMAN

In February of 1999, the Ombudsman had an Interim Report on a complaint filed by Clifford MacNeil et al. against the Nova Scotia Department of Natural Resources. The report focusses on the following issues:

- The manner in which a license to operate a mooring grid on MacNeil's Cove was granted by the Nova Scotia Department of Natural Resources to the community group, the Bras d'Or North Community Development Association;
- The manner in which the grid is being operated, including the lack of input the land owners had, and feel they continue not to have with regard to the operation of the mooring grid.

In August of 1999, the Ombudsman tabled his Final Report on the issue. The Ombudsman made a number of recommendations to the Department of Natural Resources. Many of these recommendations dealt with the process that the Department should have in place when dealing with community groups such as accurate information being required, detailed sketches and plans, written consent from interested parties prior to the issuing of licenses or permits, community and property owners' input, enforcing organizations to be actively registered with the Registry of Joint Stocks and properly enforcing the conditions of any licenses or permits given by the Department.

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- The process concerning the obtaining of the licenses and permits issued from the various departments concerning the Project;
- Viewpoints on the Project from the interested parties (Bras d'Or North Community Development Association, United Upland Waterfront Owners and the MacNeil's Cove Boaters Association);
- Money spent on each of the different phases of the Project;
- Mooring Grid;
- The involvement of officials from HRDC and ECBC;
- Situation that has developed in the community due to the controversy surrounding the Project;
- Zoning compliance, stop work orders, building inspections and Municipal compliance;
- Access to the boardwalk to the general public, new washroom facilities and employment created by the Project.

DOCUMENTATION REQUESTED

The Committee requested that the witnesses table the following documents:

- A copy of Brian Boudreau's (Past President of the Bras d'Or North Community Development Association) entire project file on the Bras d'Or Waterfront Project;
- A copy of the complaint made by the private land owners concerning the Project;
- A copy of the permits issued by the Department of Transportation.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa000405.hml

P3 AUDIT - KPMG

WEDNESDAY, APRIL 12, 2000

WITNESSES

KPMG
Mr. Eric Schibler - Partner

Department of Finance
Mr. Greg Lusk - Executive Director of Procurement

Priorities and Planning Secretariat
Mr. Bob Abbott - Director of Operations

Department of Transportation and Public Works
Mr. Al MacRae - Executive Director Specialized Services

BACKGROUND

In April 1997, the Minister of Finance announced that all future schools in Nova Scotia would be built through public-private partnership (P3) arrangements. The government wanted to be able to build schools without adding to Nova Scotia's debt. The government wanted to have operating leases with their private sector partners to accomplish this goal.

Originally, eight schools were to be built using the new P3 arrangements. By December 1997, the government announced that there would be $360 million in school construction and renovations. The number of new schools to be constructed grew to 31. Controversy arose when the issue became clouded as to whether or not the leases with the partners for the individual schools were operating leases or capital leases. At this point the Auditor General was asked to audit the P3 process.

When the new government was elected during the summer of 1999 one of the promises made was a review of the P3 process. This review was carried out by KPMG.

REPORT OF THE AUDITOR GENERAL

The Auditor General has performed a number of extensive audits on the Department of Education and Culture - Public-Private Partnership (P3's) for School Construction.

Copies of the Department of Education and Culture - Public-Private Partnership (P3's) for School Construction audit and follow-up review are contained in the 1997 and 1998 Auditor General Reports which can be obtained from the Office of the Auditor General or online at the following addresses:

http://www.gov.ns.ca/legi/audg/1997/AG97_8.pdf and at http://www.gov.ns.ca/legi/audg/1998/AG98_7.pdf

The Auditor General also performed a special audit on O'Connell Drive Elementary School lease. The special report can be obtained from the Office of the Auditor General or online at the following address:

http://www.gov.ns.ca/legi/audg/oconll/oclc3.htm

KPMG REVIEW OF PUBLIC PRIVATE PARTNERSHIP REPORT

KPMG responded to a Request for Proposals from the Department of Finance to undertake an audit of the P3 process. KPMG decided to define P3 as a procurement approach and to compare it to a conventional government procurement approach. In order to do this KPMG studied three aspects of the process. They are as follows:

- Does the general concept of private public partnership offer significant benefits and under what conditions would the public sector be most likely to be able to achieve those benefits;
- How successful has the Province of Nova Scotia been in achieving the objectives set out in the Discussion Paper released in 1997 entitled, *Transferring Risk in Private Public Partnership* released by the Department of Finance?;
- If the review process comes to the conclusion that the net benefits of P3 may outweigh the costs, what improvements need to be made in the current P3 procurement? The recommendations shall identify the proper framework for establishing a business case rationale to support a P3 project compared to other alternatives?

Copies of the KPMG Review of Public Private Partnership Process Report can be obtained from the Department of Finance or online at the following address:

http://www.gov.ns.ca/finance/tour/P3_KPMG_RPT.PDF

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Rationale behind the P3 process;
- Operating lease versus Capital lease, criteria;
- Designs of P3 schools;
- Potential benefits of P3 program, fast tracking of schools construction;
- Profits to P3 private sector partners;
- Cost benefit between P3 schools and conventional method of school construction;
- Interest on incurred debt;
- Planning and monitoring of the P3 process

DOCUMENTATION REQUESTED

The Committee did not request any further information from the witnesses on this matter.

The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa000412.htm

NOVA SCOTIA RESOURCES LIMITED

WEDNESDAY, MAY 3, 2000

WITNESSES

Nova Scotia Resources Limited
Mr. James MacDonald - General Manager
Mr. Steve Parker - Chairman of the Board of Directors
Mr. John Traves - Corporate Secretary

BACKGROUND

Nova Scotia Resources Limited (NSRL) was incorporated in 1979 and became a Crown Corporation in 1981. NSRL was set up in order to oversee Nova Scotia's participation in the offshore. Its primary functions were to manage petroleum, energy and mineral development. Having already heard from the former President of NSRL on an audit performed by the Auditor General, the Committee asked officials from NSRL to be come before them to discuss the matter in detail.

REPORT OF THE AUDITOR GENERAL

In 1996, the Auditor General Report contained a special audit of Nova Scotia Resources Limited. This audit came at the request of the government, the Public Accounts Committee and individual Members of the House of Assembly. The scope of the audit was based on allegations that had been made concerning NSRL. The allegations were as follows:

- NSRL did not execute an agreement with LASMO Nova Scotia Limited that would provide them with the greater benefits upon completion of the Cohassett project;
- NSRL did not execute an agreement with Pan Canadian Petroleum Limited that would enable them to receive a benefit on account of tax deductible exploration and development expenditures. It was further claimed that recent changes to the *Canadian Income Tax Act* make a similar business arrangement of limited value to NSRL if it were to be completed;
- NSRL disposed of western Canada oil and gas properties that were profitable, and they did not receive the best price possible from the sale.

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Current details in the breakdown of the debt at NSRL;
- NSRL revenues;
- Panuke-Cohasset Project;
- Offshore Petroleum Board;
- NSRL business plan details, corporate plan, loans;
- Pan Canadian partnership;

- Tax pools;
- Current developments and discoveries being made in the offshore
- Petrochemical industry

DOCUMENTATION REQUESTED

Prior to this meeting, the Committee had already heard from the former President on NSRL. It was during that meeting (Wednesday, November 18, 1999) that the Committee decided to ask officials from NSRL to provide the following documentation:

- Copies of all of the Board of Directors meetings from April 1993 through until the end of 1996;
- Copies of all of the correspondence concerning any discussions and decisions on the sale of the tax pools;
- Copies of all correspondence between James Livingstone and Hon. Don Downe;
- Copies of all correspondence between Pan Canadian, James Livingstone and NSRL.

These documents were provided to the Committee completely indexed on March 31, 2000. During this meeting the Committee asked the witnesses to provide the following documentation:

- Detailed lists of the total revenues and losses that the Province of Nova Scotia has realized out of the Panuke Cohasset Project;
- Current projections for the Panuke Cohasset Project including the Offshore Petroleum Board figures;
- Detailed breakdowns of the capital expenditures incurred by NSRL on the Panuke Cohasset Project.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa000503.htm

CAPE BRETON COUNTY ECONOMIC DEVELOPMENT AUTHORITY

WEDNESDAY, MAY 10, 2000

WITNESSES

Cape Breton County Economic Development Authority
Mr. Ray Kavanaugh - Chairman
Ms. Eileen Lannon Oldford - Executive Director
Ms. Jo-Lanna Murray - Senior Economic Development Officer
Mr. Murray Johnston - Board Member
Mr. Ken MacLeod - Board Member

BACKGROUND

The Cape Breton County Economic Development Authority (CBCEDA) was established between 1993 and 1994. Initially a community based group known as the " Urgent Agenda Committee" came up with a set of proposals in consultation with the community. Their purpose was to have a community based group that would be an advocate for economic development in Cape Breton. CBCEDA has three significant policy initiatives:

- Industrial Cape Breton requires a regional, consolidated and collective approach to economic development;
- The municipalities are determined to be key to economic development and that they must act in unison;
- A collective economic development authority that represents all municipal units in Cape Breton County will ensure business and labour representation.

Since CBCEDA is partly funded by the Province, the Chairman and Executive Director of CBCEDA were asked to appear before the Standing Committee on Public Accounts.

REPORT OF THE AUDITOR GENERAL

The Auditor General has never performed an audit on any of the economic development authorities.

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- History of the forming of CBCEDA, appointment process of Board of Directors and Chairman;
- Expenses for Board of Directors, Staff expenses;
- Marconi campus relocation, revitalization of the downtown core;
- Fortress Louisbourg;
- Enterprise Cape Breton;
- Industrial marketing and promotions;
- Strategic Economic Action Plan;
- Atlantic Canada Opportunities Agency (ACOA);

DOCUMENTATION REQUESTED

During this meeting the Committee asked the witnesses to provide the following documentation:

- Detailed breakdown of CBCEDA's expenses for the Board of Directors and the staff;
- A copy of the agreement between the Cape Breton Regional School Board and the Minister of Education authorizing Ray Kavanaugh's absence from the classroom;
- A copy of the agreement between the Cape Breton Regional School Board, the Minister of Economic Development and CBCEDA concerning subsiding Ray Kavanaugh's salary;
- A copy of the lease for the CN Service Centre.

RECOMMENDATIONS

The Committee unanimously passed the following resolution:

> The Standing Committee on Public Accounts recommends that the Department of Economic Development require a complete breakdown of expenditures made by all Economic Development Authorities in receipt of provincial funding.

This motion was put in the form of a resolution to the House of Assembly and it was subsequently approved. The information was forwarded to the Committee in a timely manner by the Minister of Economic Development.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa000510.htm

NOVA SCOTIA LIQUOR COMMISSION

WEDNESDAY, MAY 24, 2000

WITNESSES

Nova Scotia Liquor Commission
Mr. Gary Findlay - General Manager
Mr. Bruce Rogers - Executive Director Retail Services
Mrs. Sheila O'Leary-Jones - Director of Finance

BACKGROUND

The Nova Scotia Liquor Commission (NSLC) regulates the sale of beverage alcohol products in Nova Scotia under the authority of the Liquor Control Act. The NSLC strives to operate in a socially responsible manner while providing responsible and progressive customer service with a variety of quality controlled products in modern facilities. The NSLC generates enormous revenue as a retailer by striving to be efficient in both of its financial and operating practices. Currently, the NSLC has 100 locations throughout Nova Scotia. There are approximately 2000 products in every retail location. There are 900 employees (full time, part time, casual and senior staff).

REPORT OF THE AUDITOR GENERAL

The Auditor General automatically reviews the financial statements of the NSLC annually. In a number of the Auditor General Reports it is acknowledged that the NSLC is a retail organization and not a government department. The NSLC is therefore subject to different risks than other atypical government departments. Over the years the Auditor General has commented on various issues:

- Inventory stock losses, ie. breakage (annually);
- Accounts receivable and payable subledger reconciliation procedures problems (1998);
- Weakness in control over high turnover inventory items (1997);
- Weakness in accounts payable recognition procedures (1997).

Copies of the review of Cash and Other Losses section contained in the Report of the Auditor General 1999 can be obtained from the Office of the Auditor General or online at the following address:

http://www.gov.ns.ca/legi/audg/1999/chpt13.pdf

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- privatization options;
- property leases on various retail locations, Bayers Lake warehouse lease;
- expenditures versus rate of returns;
- inventory controls and customer service.

DOCUMENTATION REQUESTED

The following documents were requested from and subsequently provided by the NSLC:

- Statistics on the number of robberies that have occurred in the last 20 years;
- Provincial comparisons on alcohol consumption levels;
- Head office salary breakdown.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa000524.htm

GROUND AMBULANCE SERVICE

WEDNESDAY, APRIL 26, 2000

WITNESSES

Department of Health
Dr. Michael Murphy - Executive Director Emergency Health Services

Emergency Medical Care Inc.
Mr. Arnold Rovers - Chief Executive Officer

BACKGROUND

The Emergency Health Services (EHS) division of the Department of Health was established in 1994 to develop, implement, monitor and evaluate pre-hospital emergency health services in Nova Scotia. In order to achieve this goal EHS sets policies and strategic direction to determine standards, monitor quality of services and manage contracts. There are a number of different programs and contractors within the division that provide these services:

Ground Ambulance	Emergency Medical Care Inc.
Communications and Dispatch	Emergency Medical Care Inc.
Technical Operations	Tri-Star Industries Ltd.
Medical Control	Physicians Personal Services Contracts
Air Medical Transport	Shock Trauma Air Rescue Society (STARS) and Canadian Helicopter Ltd.

Additional Programs within EHS are Provincial Trauma, Medical First Response and Training.

REPORT OF THE AUDITOR GENERAL

In 1995 and 1996, the Auditor General Report contained comments on the newly formed EHS division. It will not be until the 2000 Report of the Auditor General that a full audit will be completed by the Office of the Auditor General. The scope of the audit is as follows:

- Branch Accountability and Financial Management;
- Contract Administration;
- Fleet and Equipment Control;
- Procurement;
- Acquisition of Private Ambulance Operations;
- Revenues and User Fees.

Copies of the Report of the Auditor General can be obtained from the Office of the Auditor General or online at the following address:

http://www.gov.ns.ca/legi/audg/pubs.htm

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Program costs (both historical and current);
- Contracts of various companies that provide emergency services within Nova Scotia;
- Staffing levels;
- Ambulance (distribution of vehicles, purchasing, selling offshore, flat fees for usage and response time);
- Paramedic (wages and benefits).

RECOMMENDATIONS

The Committee would like to make the following recommendations to the Minister of Health:

DOCUMENTATION REQUESTED

1. A detailed breakdown of the $5.5 million that was received by Emergency Medical Care Inc. from the Department of Health.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa000426.htm

DEPARTMENT OF HEALTH

WEDNESDAY, JUNE 7, 2000

WITNESSES

Department of Health
Dr. Thomas Ward - Deputy Minister
Mr. Byron Rafuse - Chief Financial Officer
Ms. Barbara Hall - Executive Director of Health Services

BACKGROUND

The Department of Health is responsible for the administration of Nova Scotia's health care system and influencing policies to bring about improvements in health. The Department is committed to the ongoing improvement of the health care system through planning, legislation, resource allocation, monitoring and evaluating, information management and standards development. The goal is to promote, maintain and improve the health care system in Nova Scotia at a cost that is sustainable for Nova Scotia.

There are seven administrative branches with the Department. They are as follows:

- Corporate Services;
- Financial Services;
- Integrated Services Delivery;
- Strategic Health Services;
- Health Services Support;
- Insured Programs Management; and
- Emergency Health Services.

REPORT OF THE AUDITOR GENERAL

There have been various audits of the Department of Health over the past few years by the Auditor General. In 1998 the Auditor General Report contained a follow-up to the 1995 and 1996 audits of the Department as well as an audit of the Department of Health - Regional Health Boards (RHB's) and Non-Designated Organizations (NDO's). Also included in this audit were comments on the financial situation of the Department of Health. The scope of the audit was as follows:

- Review the financial statements and management letters for the RHB's and determine their financial position;
- Gain an understanding into the RHB's and NDO's operating deficits and deficiencies in financial management and internal controls;
- Review the donations and operating surpluses transferring of funds process;
- Review the business planning review process.

Copies of the Report of the Auditor General can be obtained from the Office of the Auditor General or online (See Chapter 12 of the 1998 Auditor General Report) at the following address:

http://www.gov.ns.ca/legi/audg/pubs.htm

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Clinical services review process;
- Status of the business plan;
- Surgical waiting lists at the Queen Elizabeth II Health Sciences Centre;
- Cobequid Multi-Purpose Centre site selection;
- National health database.

DOCUMENTATION REQUESTED

The Committee did not request any further information from the witnesses on this matter.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa000607.htm

PHARMACARE PROGRAM

WEDNESDAY, JUNE 21, 2000

WITNESSES

Department of Health
Mr. Derek Dinham - Executive Director - Insured Programs Branch
Ms. Eleanor Hubbard - Director - Pharmaceutical Services

BACKGROUND

The Insured Programs Management (Pharmacare) division of the Department of Health is a provincial drug insurance plan to help seniors manage their prescription drug costs. The Pharmacare Program is available to all residence of Nova Scotia who are 65 years of age and older and who are registered with the MSI Program.

Revisions to the Pharmacare Program were made under the direction of the Pharmacare Reform Working Group that was established by the Minster of Health in 1993. Most of the recommendations made by the Working Group were implemented in 1995.

REPORT OF THE AUDITOR GENERAL

There have been various audits of the Department of Health over the past few years by the Auditor General. In 1998 the Auditor General's Report contained a section entitled Computer Environment Control Review. There are a few specific points made concerning the Pharmacare System. The items mentioned in some of the various audits over the last few years are as follows:

- Co-pay program;
- Deficits within the program;
- Planned systems development costs (Pharmacare Premium Billing System);
- Program administration control systems;
- Pharmacare working group.

Copies of the Report of the Auditor General can be obtained from the Office of the Auditor General or online (See Chapter 12 of the 1998 Auditor General Report) at the following address:

http://www.gov.ns.ca/legi/audg/pubs.htm

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Guaranteed Income Support;
- Co-pay premiums, Federal contributions;
- Program management, regulatory changes.

DOCUMENTATION REQUESTED

The Committee did not ask the Department of Health to provide them with additional documentation.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa000621.htm

SECTION II

RECOMMENDATIONS

RECOMMENDATIONS

CAPE BRETON COUNTY ECONOMIC DEVELOPMENT AUTHORITY

The Committee unanimously passed the following resolution:

> The Standing Committee on Public Accounts recommends that the Department of Economic Development require a complete breakdown of expenditures made by all Economic Development Authorities in receipt of provincial funding.

This motion was put in the form of a resolution to the House of Assembly and it was subsequently approved. The information was forwarded to the Committee in a timely manner by the Minister of Economic Development.

SECTION III

PUBLIC ACCOUNTS COMMITTEE MANDATE

MANDATE OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

The Committee's mandate is derived from the Legislative Assembly.

THE ORDER OF REFERENCE

The Legislative Assembly has appointed the Standing Committee on Public Accounts to :

1. Examine and inquire into all such matters and things as may be referred to it by the Assembly, and to report from time to time its observations thereon with the power to send for persons, papers and records, and to examine witnesses under oath;

2. Review the Public Accounts of the Province of Nova Scotia and the issues raised in the annual report of the Auditor General which have been referred to the Committee.

3. Examine and inquire into any other financial matters involving public funds of the Province of Nova Scotia.

This enables the PAC to proceed without delay with its examinations.

The PAC is not fundamentally concerned with matters of policy. The Committee does not call into question the rationale of government programmes, but rather the economy and efficiency of their administration. Although the PAC hopes to have a continuing influence on the quality of provincial administrative processes, its prime orientation is after-the fact, or post-audit, to understand, assess and correct (through recommendations in its reports to the Assembly) inadequacies, and issues that the Committee and the Auditor General have raised. The resulting "non policy" orientation of the Committee should enable the development of non-partisan spirit within the Committee in order to get at problems and seek solutions to them.

THE MANDATE

The PAC's mandate is to assist the Legislative Assembly, **within the framework of its Order of Reference from the Legislative Assembly, the Public Accounts of the Province or the Auditor General's report,** to hold the government accountable for its spending of taxpayers' money and for its stewardship over public assets.

To fulfil its functions and meet its responsibilities, the Committee will undertake to review, examine and evaluate the financial and administrative activities of government departments, agencies, crown corporations, and any person or institution receiving financial assistance from the government, cited in the Public Accounts or the Report of the Auditor General. The Committee will conduct its work within **the framework** of its **Order of Reference** as follows:

The Committee may include in its review:

- the information in the Public Accounts for reliability and appropriateness;
- the information in the annual Financial Reports;
- matters raised in the Auditor General's report;
- any audit report on the Office of the Auditor General;
- clauses within intended or proposed legislation or amendments; which exclusively pertains to the responsibilities of the Auditor General;
- the activities of the Office of the Auditor General and the resources allocated to it.

The Committee may include in its examination;

- past and committed expenditures insofar as they relate directly to and have an impact on matters under review to assist the Committee in understanding the context;
- the collection of and accounting for revenues;
- the probity and value for money in expenditures;
- the adequacy of safeguards to protect assets from loss, waste and misappropriation;
- whether appropriate financial management controls are in existence.

The Committee may include in its evaluation;

- the activities of all government departments, agencies, crown corporations, and any persons or institutions receiving financial assistance from the government;
- the value for money obtained through divestiture of any crown corporation or agency;
- the systems and practices to determine whether transfer payments are used for purposes intended;
- the efficiency, economy and effectiveness in implementation of government programs and in their achievement of stated goals;
- whether expenditures are within the limits and for purposes authorized by the Legislature and in general, in compliance with legislative authority;
- any financial management reforms in government to determine whether due regard is given to maintaining legislative accountability.

In carrying out its role the Committee will seek to:

- work with the Auditor General to achieve accountability to the Legislative Assembly;
- obtain all financial information and documents necessary for the Committee's work except for records which are privileged in the narrowest sense such as Executive Council papers;
- avoid matters of government policy;
- study any other matters referred to it by the Legislative Assembly;
- report its findings and make recommendations at least annually to the Legislative Assembly.

SECTION IV

STATEMENT OF SUBMISSION

House of Assembly
Nova Scotia

STATEMENT OF SUBMISSION

All of which is respectfully submitted to the
House of Assembly this 31st day of January, 2001

Russell MacKinnon, MLA
Chairman

I concur

Hon. David Morse
Vice Chairman

I concur

Brooke Taylor, MLA

I concur

Jim DeWolfe, MLA

I concur

Bill Langille, MLA

I concur

John Holm, MLA
Co-Chairman

I concur

Barry Barnet, MLA

I concur

Dr. Jim Smith, MLA

I concur

Darrell Dexter, MLA

Printed on paper that contains recycled fibre